



## INDIANA CHOICE SCHOLARSHIP PROGRAM

### *Calculating Household Income*

Proof of total income must be accurate and submitted for each household member earning income by providing a signed and dated copy of the **2011 federal or state income tax return for all household members**. If the 2011 tax return is not available, a self-employed person may submit a W-2. Household income will be based on the Adjusted Gross Income amount.

**If the 2011 tax return is not available** or does not provide a complete picture of household income (e.g. child support payments, loss of job in the time since a tax return was filed etc.), **submit the following documents** (as applicable) for the most current month/period prior to submitting the Choice Scholarship application:

- \_\_\_ Unemployment compensation statement
- \_\_\_ 1099s and/or statements from banks or other institutions showing interest earnings
- \_\_\_ Earnings from investments, bonds, estates or trust accounts
- \_\_\_ Alimony/child support as shown in court decree or agreement
- \_\_\_ Social Security benefits statement
- \_\_\_ Pension or annuity statements
- \_\_\_ Military retirement benefits
- \_\_\_ Statements/participation cards for disability or veterans benefits.

Copies of participation cards or benefit statements for TANF or Food Stamps/SNAP may be used as a substitute in order to qualify students for the '90%' award level (provided tuition is not lower).

If the income received is in cash without a receipt, a contact for the employer (name, organization, address and phone number) is required.

### **Income that is exempt**

The following types of income **should not be included** in the household income calculation:

- 1) Payments received for the care of foster children;
- 2) Student financial assistance provided for the costs of attendance at an educational institution, such as grants and scholarships, awarded to meet educational expenses and not available to pay for meals;
- 3) Loans, such as bank loans, since these funds are only temporarily available and must be repaid;
- 4) The value of in-kind compensation, such as housing for clergy and similar non-cash benefits;
- 5) Occasional earnings received on an irregular basis, e.g. payment for occasional babysitting or mowing lawns.

### **Military**

- 1) Combat pay of a person actively serving in the military
- 2) Family Subsistence Supplemental Allowance (FSSA) – By law, the FSSA is not counted as income in determining eligibility for free and reduced price meals

- 3) Privatized housing allowances received under the Military Housing Privatization Initiative are not counted as income. Under this privatization initiative, a housing allowance appears on the leave and earnings.

### **RULES for DETERMINING HOUSEHOLD SIZE**

To determine household size and respective income limits, include the following:

- Parents
- Grandparents
- Children
- Other relatives and unrelated people who live in the household.

\*\*Foster children are considered part of the household; for purposes of income verification only, written proof of foster status will **automatically** satisfy that child's household income requirement.

\*\*Please note that ANY falsification of this or other information could result in termination of the scholarship.

**If there are questions regarding joint/split custody**, the department references the USDA Eligibility Manual for School Meal's. Page 39 of the Guidance Manual states:

Child Living with One Parent, Relative, or Friends - In cases where no specific welfare agency or court is legally responsible for the child or where the child is living with one parent, other relatives, or friends of the family, the child is considered to be a member of the household with whom she/he resides. Children of divorced or separated parents are generally part of the household that has custody.

Joint Custody – When joint custody has been awarded and the child physically changes residence, the child is considered part of the household where she/he resides. In these situations, if both parents apply for benefits in the same LEA for the child, and different eligibility statuses result, the greatest benefit level is used. For example, if the mother's situation results in eligibility for free meals but the father's application is denied, the child would receive free meals regardless of which parent had custody at the time.

The USDA guidance manual may be accessed at

[http://www.fns.usda.gov/cnd/guidance/eligibility\\_guidance.pdf](http://www.fns.usda.gov/cnd/guidance/eligibility_guidance.pdf).

**Parents/guardians** who may sign the 'assurances' form (provided after the student information is submitted online) include the following:

- The natural parent
- Parent who has been awarded joint or sole custody (in cases of divorce or dissolution)
- Adoptive parent
- Legal custodian/guardian
- Foster parent

If a student is at least 18, he/she may sign his/her own application; the parent may also sign.